

STATE OF VERMONT
PUBLIC SERVICE BOARD

SPECIAL CONTRACT APPROVAL

RE: S.C. #870

The contract for ELECTRIC service between the Village of Ludlow Electric Light Department ("Ludlow") and Okemo Mountain, Inc. ("Okemo") for the period beginning October 1, 2009, and continuing through September 30, 2010, is approved. Should a rate schedule, pursuant to Title 30, Sections 225 and 226 of the Vermont Statutes Annotated, providing for off-peak snow-making service be approved and take effect, prior to September 30, 2010, this special contract shall be terminated. This proposed special contract replaces Special Contract No. 849.

In a letter filed July 29, 2009, the Vermont Department of Public Service ("Department") recommended that the Public Service Board ("Board") approve the contract, without investigation or hearing. In exchange for this recommendation, Ludlow entered into a stipulation (the "Stipulation") with the Department. According to the Stipulation, Ludlow will design and file a new tariff to serve the load under the special contract by April 30, 2010, to be effective before the next winter season. If Okemo can be effectively served by Ludlow pursuant to a tariff instead of a special contract, we encourage Ludlow to work with Okemo and the Department to take the steps necessary to move Okemo's service to a tariff before the next winter season.

In our approvals of special contracts, the Board has required that the utility demonstrate that the special contract customer is participating to the fullest extent possible in cost-effective energy efficiency programs. Such programs provide benefits both to the customer and to the utility system as a whole. In support of the filing, Ludlow stated that Okemo has actively participated in energy efficiency programs offered by Efficiency Vermont, and has complied with the Board's condition to submit monthly efficiency implementation reports to Ludlow. Ludlow also attached a letter dated June 24, 2009, from Efficiency Vermont summarizing the completed and ongoing energy efficiency projects at Okemo.

We applaud the collective efforts of Ludlow, Efficiency Vermont, and Okemo to implement cost-effective efficiency measures that reduce Okemo's energy usage. And, we encourage the parties to

continue to work cooperatively to implement additional efficiency measures at Okemo. To ensure that customers continue to receive the benefits of these programs, we again condition approval of this special contract upon Okemo's participation in all applicable cost-effective demand-side management ("DSM") programs offered by Efficiency Vermont. Moreover, we require that Ludlow, in consultation with Okemo and Efficiency Vermont, shall continue to file progress reports on the status and availability of DSM measures at Okemo. These reports shall be filed with the Department and the Board not later than 60 days before the effective date of a proposed tariff, or August 1, 2010, which ever is earlier. This contract shall also be subject to the energy efficiency charge.

Our approval of this special contract reflects our overall judgment that the contract meets the strictures of 30 V.S.A. § 229. Our approval should not be construed as approval or disapproval of any of the specific negotiated terms of the contract, or as a determination that those terms are, or are not, cost-effective for the contracting customer or otherwise in the contracting customer's best interest.

Ludlow shall provide a copy of this Board approval to the contracting customer within ten days of its receipt.

DATED at Montpelier, Vermont, this 17th day of September, 2009.

<u>s/James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

Filed: September 17, 2009

Attest: s/Susan M. Hudson
Clerk of the Board